"(5) Establish and implement a consolidated analysis program (A) to assess and monitor worldwide capabilities in technologies critical to the national security of the United States and (B) to monitor defense-related manufacturing capabilities of the United States.".

(b) CRITICAL INDUSTRIES PLANNING.—Section 2503 of title 10, United States Code, as amended by subsection (a), is further amended by adding at the end the following new paragraph:

"(6) Identify the industries most critical for national security applications of the technologies identified in the most recent annual defense critical technologies plan submitted under section 2508 of this title.".

(c) REPORT ON DEFENSE INDUSTRIAL BASE.—(1) The Secretary of Defense, acting through the Under Secretary of Defense for Acquisition, shall submit to the Committees on Armed Services of the Senate and House of Representatives a report on the actions taken under section 2503 of title 10, United States Code, for the improvement of the defense industrial base of the United States.

(2) The report shall include Under Secretary's analysis of the condition of the defense industrial base of the United States, particularly with respect to the financial ability of United States businesses—

(1) to conduct research and development activities relating to critical defense technologies, including the critical technologies identified in the first annual defense critical technologies plan submitted pursuant to section 2508 of title 10, United States Code, as added by section 841(b) of this Act;

(2) to apply those technologies to the production of goods and the furnishing of services; and

(3) to engage in any other activities determined by the Secretary of Defense to be critical to the national security.

(3) In preparing the analysis required in paragraph (2), the Secretary, acting through the Under Secretary of Defense for Acquisition, shall consider—

(4) trends in the profitability, levels of capital investment, spending on research and development, and debt burden of businesses involved in research on, development of, and application of critical defense technologies;

(5) the consequences of mergers, acquisitions, and

takeovers
of such businesses;
(C) the results of current Department of Defense spending for critical defense technologies; and
(D) the likely future level of Department of Defense spending for such technologies during the four fiscal years following fiscal year 1990 and the likely results of that level of spending.
(4) The report under this subsection shall be submitted not later than March 15, 1990.

SEC. 843. SCIENTIFIC AND TECHNICAL EDUCATION

(a) FINDINGS.—Congress makes the following findings:
(6) The possession and maintenance of technologically superior systems in the Department of Defense is a critical part of the national defense strategy of the United States.
(7) Defense programs use a significant portion of the entire science and technology workforce of the United States.
(8) The science and technology workforce of the United States has been declining in recent years and that decline threatens